



# Department of Justice

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## **DEPARTMENT OF JUSTICE AMENDS ANTITRUST LAWSUIT AGAINST NATIONAL ASSOCIATION OF REALTORS**

### ***NAR's Modified Policy Continues to Obstruct Internet-Based Competition***

WASHINGTON, D.C. – The Department of Justice today amended the complaint in its antitrust lawsuit against the National Association of Realtors (NAR), charging that the group's modified policy continues to prevent Internet-based real estate brokers from offering better services and lower costs to consumers. The lawsuit challenges NAR rules that limit competition from brokers who use Internet tools to serve their customers. The new complaint addresses how NAR's changes to its rules still obstruct competition, threaten to lock in outmoded business models and inflate prices in the industry.

"Last-minute changes by NAR did not fix the anticompetitive problems of its policy," said J. Bruce McDonald, Deputy Assistant Attorney General in the Department's Antitrust Division. "When buying and selling a home, consumers should receive the full benefits of competition - better services and lower costs. NAR's modified policy continues to prevent consumers from realizing these benefits."

On September 8, 2005, the Department's Antitrust Division filed its original civil antitrust lawsuit against NAR in U.S. District Court in Chicago. On the same day, NAR announced a modification of its policy. The modified policy continues to provide "brick-and-mortar" brokers with the power to inhibit the growth of Internet-based business models, the

Department said. The amended complaint asks the court to prevent NAR from using either the initial policy or the modified policy.

Specifically, the modified policy contains a provision, the “blanket opt-out,” that allows brick-and-mortar brokers to prevent an innovative broker from providing over the Internet the same Multiple Listing Service (MLS) information that other brokers can provide in their offices. NAR’s initial policy contained a similar provision. NAR’s modified policy specifically exempts its own official website, Realtor.com, from the blanket opt out.

NAR also announced a change to its membership rules. The new rule - much like the original policy’s anti-referral rule- denies access to MLS listings to brokers operating referral services. This membership rule effectively prevents two brokers from working together in what can be a more innovative and efficient way, with one attracting new business and educating potential buyers about the market, and the other guiding the buyer through home tours and the contract and closing process.

NAR’s modified policy, like its original policy, denies brokers using new technologies and business models the same benefits of MLS membership available to their competitor brokers, suppresses innovation, discourages competition on price and quality, and prevents new, efficient competitors from entering into the marketplace - all to the detriment of consumers.

Today’s amended complaint was filed in U.S. District Court in Chicago.

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